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C O N F I D E N T I A L SECTION 01 OF 03 BANGKOK 000186

SIPDIS

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TAGS: PGOV PREL PHUM MARR MASS TH CH CB
SUBJECT: A/S SHAPIRO VISIT: DISCUSSIONS OF REGIONAL ISSUES,
THE RISE OF CHINA, AND ASEAN

Classified By: Ambassador Eric G. John, reasons 1.4 (b) and (d)

- $\underline{\mathbb{1}}$ 1. (C) Summary. During a January 13-15 visit, Assistant Secretary for Political-Military Affairs Andrew Shapiro discussed a range of regional issues during meetings with senior Thai officials. The rise of China was viewed benignly by Thai officials, who stressed that Beijing was more interested in supporting trade and economic development in the ASEAN region than in attending to security issues. Heightened tensions with Cambodia were universally characterized as a political issue rather than a security threat, and DPM Suthep Thaugsuban said that he expected that relations with Cambodia would improve this year. The Vice Foreign Minister stressed that Prime Minister Abhisit Vejjajiva would not visit Burma until a meeting with Aung San Suu Kyi was permitted, and that the PM firmly supported the release of all political prisoners. Ministry of Defense Permanent Secretary Apichart Penkitti underscored to A/S Shapiro Thailand's desire for the U.S. to join the ASEAN Defense Ministers Meeting Plus arrangement.
- 12. (C) Assistant Secretary Shapiro stressed to a wide range of Thai interlocutors the Obama Administration's commitment to engagement in Southeast Asia and in Thailand in particular. With the rise of China of interest to the entire international community, the U.S. wanted close relations with Southeast Asia in order to insure that Beijing utilized its growing role in a way that supported regional security. End summary.
- ¶3. (C) Comment. A/S Shapiro's visit highlighted to the RTG U.S. interest in engaging on regional and strategic issues, particularly in advance of the U.S.-Thai Strategic Dialogue. We were struck by the Thai interest in economic issues, even in their discussions with the A/S for Political/Military affairs. Reflecting that orientation, Thai views on China were surprising in that there was a universal lack of concern over whether China's rise could potentially disrupt regional security. Of course, this lack of worry also likely is the product of Thailand lacking a territorial dispute with Beijing. That said, Thai officials continue to encourage the U.S. to participate in ADMM Plus, a grouping that could otherwise likely be dominated by China. End comment.

CHINA'S RISE: A NATURAL EVENT, FOCUSED ON ECONOMICS

 $\P4$. (C) During a January 15 meeting, Deputy Prime Minister Suthep Thaugsuban told A/S Shapiro and the Ambassador that he

believed that U.S. policy had in recent years moved towards restricting imports. In contrast to the U.S. approach, Beijing was working to improve trade with Southeast Asia and to promote economic development in ASEAN. In particular, China had promised ASEAN large amounts of financial assistance for transportation and development projects and had become a leading investor in the region. Suthep recommended that the U.S. look for ways to improve economic relations while also supporting regional security.

- ¶5. (C) A/S Shapiro asked about Thailand's view of China's increasing international role during a January 14 meeting Vice Minister of Foreign Affairs Panich Vikitsreth. Panich said the RTG wanted to continue to work closely with the U.S., but had no option but to develop closer relations with China as well. According to Panich, China's interests in Southeast Asia were primarily economic. Foreign investment in Thailand had in the past been predominantly Japanese, but China had recently become one of the largest foreign investors in Thailand, Panich said. That said, the RTG was watching with caution Chinese engagement in Burma.
- 16. (C) During a January 14 meeting, Ministry of Defense Permanent Secretary General Apichart Penkitti told A/S Shapiro and the Ambassador that the rise of China was not a concern because the Chinese were focused on good relations with ASEAN and on promoting economic development in the region. In regard to bilateral relations with Beijing, Apichart said it was natural for the Thai-Chinese relationship to progress. That said, the PLA had pressed Thailand to initiate large scale bilateral exercises, but the

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Thai military had insisted that exercises should be limited to Special Forces training, such as the ones held in 2007 and 2008, as well as the commencement of an annual naval and marine exercise this year.

- \P 7. (C) Assistant Secretary Shapiro January 15 asked Royal Thai Armed Forces Chief of Defense Forces General Songkitti Jaggabatra for his views of the rise of China and its influence in the region. A/S Shapiro said that while the U.S. wanted to work closely with China, as evidenced by the U.S.-China Strategic and Economic Dialogue, the USG wanted to strengthen relationships in Asia in order to maintain stability in the event that China's rise proceeded in a way that could compromise regional security. General Songkitti commented that due to its size and history, it was normal for China to gain a more influential role in Asia. With Laos and Cambodia heavily influenced by China, it was important for Thailand to develop good relations with Beijing as well in order to insure against being sidelined in the region. Songkitti said that Thai relations with the U.S. were much stronger than those with China -- due to historically strong economic and educational bonds -- but that the RTG would pursue closer relations
- with Beijing as Thailand could not escape its geographic reality.
- 18. (C) A/S Shapiro asked Songkitti about the planned Thai-Chinese naval and marine exercise scheduled to be initiated in 2010. Songkitti said the exercise was still in the planning stage, but commented that it would be small-scale due the Thai military's lacking budgetary constraints. Songkitti explained that Thailand did not need another large scale exercise because the annual multilateral Cobra Gold exercise already met the need for such an event. That said, the Thai military leaders believed that it was necessary to develop relationships with their Chinese counterparts.
- 19. (C) RTARF J3 LTG Suraphan Wongthai told A/S Shapiro that Thailand had a natural desire for close relations with the U.S. This was the result of U.S. efforts after World War II to shield Bangkok from British and French demands for reparations from Thailand, and shared experiences during

conflicts in Korea, Vietnam, Afghanistan, and Iraq. That said, in recent years the Thai military had found it more difficult to maintain the relationship with the U.S. military. Suraphan said this was because few junior officers in the Thai military had the opportunity to attend International Military Education and Training (IMET) courses in the U.S. as funding levels had not yet reached pre-2006 levels. Also, the Thai military had found it increasingly difficult to purchase U.S. weapons. In contrast, LTG Suraphan said that China appeared eager to find ways to interact with the Thai and were very willing to sell weapons systems. A/S Shapiro told Suraphan that while budget increases would be difficult, the Political-Military Bureau would explore possibilities for increased IMET funding for the Thai.

ABHISIT WAITING TO VISIT BURMA

110. (C) VFM Panich told A/S Shapiro that Prime Minister Abhisit Vejjajiva considered Burma policy a top priority. The PM wanted free and fair elections, and the release of political prisoners, including Aung San Suu Kyi (ASSK). Abhisit had also decided to hold off on visiting Burma until he could meet ASSK. Nonetheless, Thailand was willing to work closely with the U.S. as Thailand was a close dialogue partner on Burma. During a January 15 lunch meeting with Dr. Panitan Wattanayagorn, Deputy Secretary General for Prime Minister Abhisit and Acting RTG Spokesman, Panitan confirmed to A/S Shapiro that the Prime Minister would wait to visit Burma until the regime permitted a meeting with ASSK. Burma was a key issue for the RTG as the two nations' long border led to significant narcotics trafficking and illegal labor problems, Panitan said.

ASEAN AND ADMM PLUS

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- ¶11. (C) VFM Panich told A/S Shapiro that the Thai government was proud of its accomplishments as ASEAN Chair, particularly efforts to raise regional awareness of human rights and to initiate ASEAN Connectivity. Dr. Sarasin, CP Group Executive Vice President and a former high-ranking Thai diplomat, told A/S Shapiro that he thought the RTG should re-examine its policy in regards to ASEAN. With its foreign policy focused on ASEAN, an organization dependent on consensus, Thailand had in the past twenty years lost standing in the international community. Sarasin commented that, as it took much time to convince other ASEAN nations to take action, Thailand often found itself unable to focus on important international issues.
- 112. (C) Ministry of Defense Permanent Secretary Apichart told A/S Shapiro and the Ambassador that ASEAN had not yet decided on the composition of the ASEAN Defense Ministers Meeting Plus (ADMM Plus) grouping. Apichart said the expanded arrangement would include the ASEAN plus six nations or the ASEAN plus eight nations. (Note: It is our understanding that "plus six" would include Australia, China, India, Japan, New Zealand, and the Republic of Korea and the "plus eight" would include Russia and the U.S. as well. End note.) Apichart told A/S Shapiro that the RTG wanted the U.S. to be a part of ADMM Plus.

REGIONAL RELATIONS DEPEND ON CAMBODIA-THAKSIN

113. (C) During their January 15 meeting, A/S Shapiro asked DPM Suthep about the Thai government's views of regional and strategic challenges. Suthep said that Cambodian Prime Minister Hun Sen's relations with former Prime Minister Thaksin Shinawatra would be a key factor in efforts to improve the regional political environment. With Burma, Cambodia, Laos, and Vietnam strongly aligned, it was

important that Thailand improve relations with Phnom Penh. The DPM said that he was confident that relations would improve as Thaksin's challenge to the Thai government faded over the coming year.

- 114. (C) VFM Panich told A/S Shapiro that Thai-Cambodian relations along the border were fine, but the appointment of Thaksin as an advisor to Hun Sen was unacceptable to the Thai government. As such, Hun Sen's act had led to heightened political tensions. While tensions were not as high as in October and November of last year, the appointment continued to be an obstacle to improving government to government relations, Panich said.
- 115. (C) General Apichart emphasized to A/S Shapiro that the tensions with Cambodia were entirely political, adding that military relations along the border were good and the two sides communicated often and had close cooperation. RTARF J3 LTG Suraphan laughed off recent reports that military tensions had risen along the border and instead stressed the greater concern posed by Burma purchasing more advanced, long-range weapons.
- 116. (U) Assistant Secretary Shapiro cleared this cable. JOHN